

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02784A
Tonto Creek Utility Co.
HC 2 Box 94-G
Payson, AZ 85541

RECEIVED

APR 10 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-11-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>TONTA CREEK UTILITY CO</u>		
Mailing Address <u>HC2 Box 94G</u>		
<u>PAYSON</u> (City)	<u>AZ</u> (State)	<u>85541</u> (Zip)
<u>928-478-4384</u> Telephone No. (Include Area Code)	<u>928-478-4384</u> Fax No. (Include Area Code)	<u>928-978-9701</u> Cell No. (Include Area Code)
Email Address <u>TONTACREEKUTILITY@WILDBLUE.NET</u>		
Local Office Mailing Address <u>SAME</u>		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Pam FISHER</u>		<u>SEC/TRES</u>
(Name)		(Title)
<u>HC2 Box 94G</u> (Street)	<u>PAYSON</u> (City)	<u>AZ</u> <u>85541</u> (State) (Zip)
<u>928-478-4384</u> Telephone No. (Include Area Code)	<u>928-478-4384</u> Fax No. (Include Area Code)	<u>928-978-9701</u> Cell No. (Include Area Code)
Email Address <u>TONTACREEKUTILITY@WILDBLUE.NET</u>		
On Site Manager: <u>JERRY FISHER</u>		
(Name)		
<u>HC2 Box 94G</u> (Street)	<u>PAYSON</u> (City)	<u>AZ</u> <u>85541</u> (State) (Zip)
<u>SAME</u> Telephone No. (Include Area Code)	<u>SAME</u> Fax No. (Include Area Code)	<u>SAME</u> Cell No. (Include Area Code)
Email Address <u>SAME</u>		

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: PAM FISHER
 HC2 Box 946 (Name)
 227 N. TOWTO Rim RANCH Rd PAYSON AZ 85341
 (Street) (City) (State) (Zip)
 928-478-4384 SAME 928-978-9701
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: DENNIS OMOTO
 (Name)
 1107 N. BEELINE Hwy STE B PAYSON AZ 85341
 (Street) (City) (State) (Zip)
 928-474-4502
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

TOMTO CREEK UTILITY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	281.00		
302	Franchises			
303	Land and Land Rights	1000.00		
304	Structures and Improvements	4000.00	4000.00	
307	Wells and Springs	22500.00	22500.00	
311	Pumping Equipment	2784.00 4737.00	2784.00 3440.00	
320	Water Treatment Equipment	500.00	500.00	
330	Distribution Reservoirs and Standpipes	11,468.00 11,893.00	11,468.00 5503.00	
331	Transmission and Distribution Mains	2402.00	2402.00	
333	Services			
334	Meters and Meter Installations	15,662.00	8655.00	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	928.00	928.00	
340	Office Furniture and Equipment	517.00	517.00	
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	625.00	625.00	
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	79298	63272	

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

TONTA CREEK UTILITY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	4,737.00		135.
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	11,893		595
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	15,662		768
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			1498

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

TOWNTON CREEK UTILITY

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 6755	\$ 11186
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 6755	\$ 11186
	FIXED ASSETS		
101	Utility Plant in Service	\$ 79298	\$ 79249
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	61,824	63,272
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 17,474	\$ 15977
	TOTAL ASSETS	\$ 24229	\$ 27163

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME TONTO CREEK UTILITY

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 0	\$ 0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	705	177
236	Accrued Taxes	1366	2016
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 2071	\$ 2193
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	3150	2950
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 3150	\$ 2950
	TOTAL LIABILITIES	\$ 6058	\$ 5143
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1000	\$ 1000
211	Paid in Capital in Excess of Par Value	5065	5666
215	Retained Earnings	13050	15954
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 19115	\$ 22020
	TOTAL LIABILITIES AND CAPITAL	\$ 24574	\$ 27163

COMPANY NAME TONTO CREEK UTILITY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 21,079.00	\$ 21,724.00
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 21,079.00	\$ 21,724.00
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 10,000.00	\$ 9,355.00
610	Purchased Water		
615	Purchased Power	1,073.00	1,090.00
618	Chemicals		
620	Repairs and Maintenance	1473.00	293.00
621	Office Supplies and Expense	822.00	1563.00
630	Outside Services	325.00	950.00
635	Water Testing	410.00	649.00
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	45.00	45.00
675	Miscellaneous Expense	250.00	72.00
403	Depreciation Expense	4281.00	1498.00
408	Taxes Other Than Income	1412.00	972.00
408.11	Property Taxes	1046.00	1044.00
409	Income Tax	50.00	799.00
	TOTAL OPERATING EXPENSES	\$ 21,187.00	\$ 18,330.00
	OPERATING INCOME/(LOSS)	\$ -108.00	\$ 3394.00
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		50.00
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$ 50.00
	NET INCOME/(LOSS)	\$ -108.00	\$ 3444.00

COMPANY NAME TONTO CREEK UTILITY

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ \$ 2950

Meter Deposits Refunded During the Test Year

\$ 475.

COMPANY NAME	TONTA CREEK UTILITY		
Name of System:	ADEQ Public Water System Number:		

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-807245	2	16	29	12	2	1962

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
16	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000 x2	2	2000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	TONTON CREEK UTILITY		
Name of System:		ADEQ Public Water System Number:	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	GALV	4900
3		
4	GALV	4800
5		
6		
8		
10		
12		
1 1/2	GALV	950
1 1/2	SCH 40	500
2	SCH 40	800

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	72
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

1 12 x 24 Pumphouse

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: <u>TONTO CREEK UTILITY</u>	
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	71	99430	157000	
FEBRUARY	71	82810	88600	
MARCH	71	181510	120500	
APRIL	72	144590	145800	
MAY	72	261013	273500	
JUNE	72	349207	334400	
JULY	72	272580	391700	
AUGUST	72	336260	167600	
SEPTEMBER	72	195670	195670	
OCTOBER	72	150200	195670	
NOVEMBER	72	133290	195670	
DECEMBER	72	110481	23800	
TOTALS →		2317040	2496910	

What is the level of arsenic for each well on your system? 0.0011 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME TONTO CREEK UTILITY YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 1043.84

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

2007 TAX NOTICE

JAN 1 2007
TO
DEL 13 2007

COUNTY OF GILA

ARIZONA

ADDRESS: POST OFFICE BOX 109
GLOBE AZ 85502

LEGAL DESCRIPTION: SECTION TWN RNG ACRES .35 USE 5500
TOTAL VALUE OF OPERATING PROPERTY
303-03-024-A 1,438

TAX ROLL NUMBER
36824
PARCEL IDENTIFICATION
927-21-001 7
TAX AREA CODE
1001

IMPORTANT - SEE REVERSE SIDE
FOR COMPLETE EXPLANATION OF
YOUR 2007 TAX NOTICE AND
PAYMENT INSTRUCTIONS

927-21-001 7 36824

TONTO CREEK UTILITY CO
PAM FISHER
HC2 BOX 94G
PAYSON AZ 85541



06-2259

2007 TAX SUMMARY (3)

PRIMARY AD VALOREM TAX	7455
LESS STATE AID TO EDUCATION	0
NET PRIMARY AD VALOREM TAX	7455
SECONDARY AD VALOREM TAX	2982
SPECIAL DISTRICT TAX	0

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	10438
HALF TAX	5219

DELINQUENT DATES

1st HALF NOV 1 2007
2nd HALF MAY 1 2008

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
NOTICE WILL BE SENT BY FIRST CLASS MAIL

PRIMARY PROPERTY TAX CALCULATION (1)						
ITEM	LIMITED VALUE	ASSTMT%	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	3391	240	814	0	83962	6835
PERSONAL PROPERTY	33609	240	8066	0	83962	67723
TOTALS	37000		8880	0		74558
SECONDARY PROPERTY TAX CALCULATION (2)						
ITEM	FULL CASH VALUE	ASSTMT%	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	1438	240	345	0	33587	1159
BLDGS, ETC.	1953	240	469	0	33587	1575
PERSONAL PROPERTY	33609	240	8066	0	33587	27092
TOTALS	37000		8880	0		29826

2006-2007 TAX COMPARISON (4)

TAX CODE	TAX JURISDICTION	2007 PRIMARY	2007 SECONDARY	2007 TOTAL	2006 TOTAL	DIFFERENCE
000	GILA COUNTY	36497	00	36497	37292	-79
010	PAYSON SD #10	32745	9395	42140	42218	-78
08150	COMMUNITY COLLEGE	5316	00	5316	5318	-2
11212	CHRISTOPHER CREEK/KOHL'S FD	00	17323	17323	16729	594
11900	FIRE DISTRICT ASSISTANCE FUND	00	889	889	857	32
14900	GILA COUNTY LIBRARY DISTRICT	00	1776	1776	1714	62
30001	NORTHERN ARIZONA VIT	00	443	443	430	13
	TOTALS	74558	29826	104384	104558	-174

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

DEBORA SAVAGE
GILA CO. TREASURER
POST OFFICE BOX 1093
GLOBE AZ 85502

TONTO CREEK UTILITY CO
HC2 BOX 94G
PAYSON AZ 85541

TAX ROLL NUMBER	36824
PARCEL IDENTIFICATION	927-21-001 7
TAX AREA CODE	1001

RECEIPT REQUESTED ()

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

DEBORA SAVAGE
GILA CO. TREASURER
POST OFFICE BOX 1093
GLOBE AZ 85502

TONTO CREEK UTILITY CO
HC2 BOX 94G
PAYSON AZ 85541

TAX ROLL NUMBER	36824
PARCEL IDENTIFICATION	927-21-001 7
TAX AREA CODE	1001

RECEIPT REQUESTED ()

*IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2007 2ND HALF COUPON

TO PAY 2ND HALF	PAY	521.92
-----------------	-----	--------

2nd HALF TAXES DELINQUENT AFTER MAY 1, 2008



*IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2007 1ST HALF COUPON

TO PAY 1ST HALF ONLY	PAY	521.92
TO PAY FULL YEAR TAX	PAY	1,043.84

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2007



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Wednesday, October 17, 2007

[My Accounts](#) > [Account Activity](#) > Check Details

Check Details

[Print](#) [Help with this page](#)

I'd like to...

[See Account Statements](#)

BUSINESS CLASSIC (...0399)

Check Number: 1346

Post Date: 10/03/2007

Amount of Check: \$1,043.84

Front

[Enlarge/Reduce Check Image](#)

A 36824 1346
TONTON CREEK UTILITY CO.
H C 2, BOX 94-G 928-478-4384
PAYSON, AZ 85541

PAY TO THE ORDER OF Gila County Treasurer \$1043.84
one thousand forty-three + 84/100 DOLLARS

BANK ONE.
FOR Full 2007 Property Tax

Pam Fisher
654810399# 0000104384#

Need help printing or saving this check?

Back

[Enlarge/Reduce Check Image](#)

6020 67098

DO NOT WRITE IN THESE SPACES

FOR DEPOSIT ONLY
GILA COUNTY TREASURER
11804047

PAY TO THE ORDER OF
BANK ONE, ARIZONA, NA
PHOENIX, ARIZONA
122100024

Need help printing or saving this check?

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 10 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OR (COUNTY NAME)
<u>GILA</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Pam FISHER SEC/TRES</u>
COMPANY NAME
<u>TOWTO CREEK UTILITY CO</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

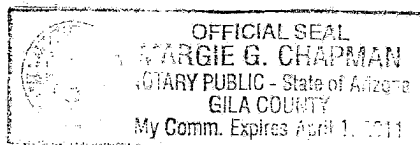
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



Pam Fisher

SIGNATURE OF OWNER OR OFFICIAL

928-478-4384

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

7TH

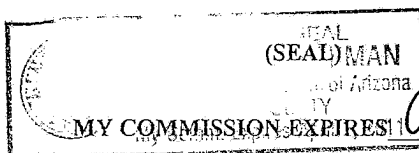
DAY OF APRIL

COUNTY NAME

GILA

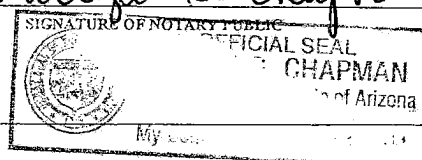
MONTH

2008



April 1, 2011

Margie G Chapman



COMPANY NAME TONTO CREEK UTILITY YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 3444
Estimated or Actual Federal Tax Liability 517

State Taxable Income Reported 3696
Estimated or Actual State Tax Liability 258

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Pam Fisher
SIGNATURE

3/22/08
DATE

PAM FISHER
PRINTED NAME

SEC/TRES
TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

APR 10 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>GILA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>PAUL FISHER SEC/TRES</u>
COMPANY NAME	<u>TANTO CREEK UTILITY CO</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 21,724.00

(THE AMOUNT IN BOX ABOVE
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Pam Fisher

SIGNATURE OF OWNER OR OFFICIAL

928-478-4384

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

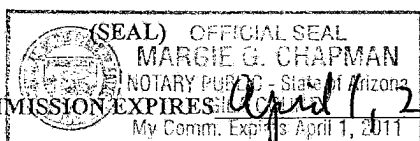
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

7th

DAY OF

COUNTY NAME	<u>GILA</u>	
MONTH	<u>APRIL</u>	<u>2008</u>



MY COMMISSION EXPIRES April 1, 2011

Margie G Chapman

SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED

APR 10 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>GILA</u>	
NAME (OWNER OR OFFICIAL) <u>PAM FISHER</u>	TITLE <u>SEC/TRES</u>
COMPANY NAME <u>TORTO CREEK UTILITY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 21,724.00

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1426.05
IN SALES TAXES BILLED, OR COLLECTED)

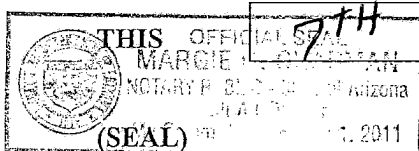
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Pam Fisher
SIGNATURE OF OWNER OR OFFICIAL

928-478-4384
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

NOTARY PUBLIC NAME <u>Margie D. Chapman</u>	
COUNTY NAME <u>GILA</u>	
MONTH <u>APRIL</u>	YEAR <u>2008</u>

MY COMMISSION EXPIRES

April 1, 2011

X Margie D. Chapman
SIGNATURE OF NOTARY PUBLIC

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		6,755.		11,186.
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	78,298.		78,249.	
b	Less accumulated depreciation	61,824.	16,474.	63,272.	14,977.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		1,000.		1,000.
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach schedule)				
15	Total assets		24,229.		27,163.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch) ..Ln. 18 Stmt		2,071.		2,193.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule) ....Ln. 21 Stmt		3,150.		2,950.
22	Capital stock: a Preferred stock				
b	Common stock	1,000.	1,000.	1,000.	1,000.
23	Additional paid-in capital		5,066.		5,066.
24	Retained earnings — Approp (att sch)				
25	Retained earnings — Unappropriated		12,942.		15,954.
26	Adjmnt to shareholders' equity (att sch)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		24,229.		27,163.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1	Net income (loss) per books	3,012.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	517.		Tax-exempt interest \$	
3	Excess of capital losses over capital gains .....			.....
4	Income subject to tax not recorded on books this year (itemize):			.....
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation		a	Depreciation .. \$	108.
b	Charitable contributions .. \$		b	Charitable contribns \$	
c	Travel & entertainment .. \$ .....			.....
	See Ln 5 Stmt	23.		.....	108.
	.....	23.	9	Add lines 7 and 8	108.
6	Add lines 1 through 5	3,552.	10	Income (page 1, line 28) — line 6 less line 9	3,444.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	12,942.	5	Distributions	a Cash
2	Net income (loss) per books	3,012.		b Stock	c Property
3	Other increases (itemize):		6	Other decreases (itemize):	
	
	.....		7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	15,954.	8	Balance at end of year (line 4 less line 7)	15,954.

Rough

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 21,079	\$ 21,724
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 21,079	\$ 21,724
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 10,000	\$ 9,355
610	Purchased Water		
615	Purchased Power	1,073	1,090
618	Chemicals		
620	Repairs and Maintenance	1,473	293
621	Office Supplies and Expense	822	1,563
630	Outside Services	325	950
635	Water Testing	410	649
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	45.00	45.00
675	Miscellaneous Expense	250.00	72.00
403	Depreciation Expense	4281.00	1498
408	Taxes Other Than Income	1412.00	972.00
408.11	Property Taxes	1046.00	1044.00
409	Income Tax	50.00	258+ 799.00
	TOTAL OPERATING EXPENSES	\$ 21,187	\$ 541 18330.00
	OPERATING INCOME/(LOSS)	\$ -108.00	\$ 3394
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		50.00
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ -108	\$ 3444.00

8

Rough

COMPANY NAME

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ Q	\$ Q
232	Notes Payable (Current Portion)	Q	Q
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	705.00	177.00
236	Accrued Taxes	1366.00	2016.00
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 2071	\$ 2123
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction <i>★</i>	3150.00	2950.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS <i>★</i>	\$ 3150.00	\$ 2950.00
	TOTAL LIABILITIES	\$	\$ 5143 4166
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1000	\$ 1000
211	Paid in Capital in Excess of Par Value	5066	5066
215	Retained Earnings	12942	15954
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 19008	\$ 22020
	TOTAL LIABILITIES AND CAPITAL	\$ 24229	\$ 27163

Rough

COMPANY NAME

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 6755	\$ 11,186.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 6755.00	\$ 11,186.00
	FIXED ASSETS		
101	Utility Plant in Service	\$ 79298	\$ 79249
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	61824	63,272
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 17,474	\$ 15977
	TOTAL ASSETS	\$ 24229	\$ 27163

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Boyle

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	<i>2,784.00</i> <i>4,737.00</i>		<i>2,784.00</i> <i>135.00</i>
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	<i>11,893</i>		<i>595</i>
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			<i>768</i>
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			<i>4,737</i>

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

Rough

COMPANY NAME

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	281.00		
302	Franchises			
303	Land and Land Rights	1000.00		
304	Structures and Improvements	4000.00	4000.00	
307	Wells and Springs	22500.00	22500.00	
311	Pumping Equipment	2784.00 4737.00	2784.00 <u>3440</u>	
320	Water Treatment Equipment	500.00	500.00	
330	Distribution Reservoirs and Standpipes	11,468.00 11,893.00	11,468.00 5503	
331	Transmission and Distribution Mains	2402.00	2402.00	
333	Services			
334	Meters and Meter Installations	15,662.00	8655	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	928.00	928.00	
340	Office Furniture and Equipment	517.00	517.00	
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	625.00	625.00	
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	79298	63272	

This amount goes on the Balance Sheet Acct. No. 108